

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: Jorg G. Schleicher  
Serial No. 09/963,812

Filed: 09/26/2001

For: **METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER FILE DELIVERY NETWORK**

Examiner: Fadey S. Jabr  
Art Unit: 3639

Mail Stop Appeal Brief – Patents  
Commissioner for Patents  
PO Box 1450  
Alexandria, VA 22313-1450

Sir:

An **APPEAL BRIEF** is filed herewith. Appellant also encloses a payment in the amount of \$1520.00 to cover the fee associated with this appeal brief as required by 37 C.F.R. § 1.17(c) and the fee associated with a three-month extension of time. If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

**APPEAL BRIEF**

**(1) REAL PARTY IN INTEREST**

The real party in interest is the assignee of record, i.e., Qurio Holdings, Inc. of 1130 Situs Court, Suite 216, Raleigh, NC 27606.

**(2) RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences to the best of Appellant's knowledge.

**(3) STATUS OF CLAIMS**

Claims 1-27 were rejected with the rejection made final on March 8, 2006.

Claims 28 and 29 were added by amendment in response to the initial non-final office action (see Appellant's Office Action Response transmitted January 6, 2006), but were not addressed in the Final Office Action mailed March 8, 2006 or in the Advisory Action mailed June 6, 2006.

Claims 1-27 are pending and are the subject of this appeal. However, Appellant respectfully submits that claims 28 and 29, which were added by amendment in Appellant's

Office Action Response transmitted January 6, 2006, should also be pending, given that claims 28 and 29 were added prior to a final Office Action.

#### **(4) STATUS OF AMENDMENTS**

The Advisory Action mailed June 6, 2006 indicates that the only claims 1-27 were rejected. Claims 28 and 29, which were added in Appellant's Office Action Response transmitted January 6, 2006, have apparently not been entered. As mentioned above, claims 28 and 29 were added by amendment in Appellant's Office Action Response transmitted January 6, 2006. Claims 28 and 29 correspond to claims 9 and 27 but without the means plus function language. Appellant respectfully requests that claims 28 and 29 be added for purposes of the appeal since they were added prior to the final office action and are similar to claims already in the appeal.

#### **(5) SUMMARY OF CLAIMED SUBJECT MATTER**

The present invention provides a method and system for generating revenue in a peer-to-peer file delivery network. The method and system include enabling peer-to-peer file sharing of content by initiating, on one client node, a download of a particular content item served from the server node or another client node, and then charging a fee based on a quantity of the content served (Specification, p. 4, lines 19-23). The method and system further include enabling decentralized downloads of subscription-based content. The decentralized downloads are provided by allowing the client nodes to subscribe to one or more of the subscription-based content, periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes, and then charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 1-6).

Another aspect of the present invention includes providing direct marketing wherein users on the network are targeted with direct marketing material and providers of the marketing content are charged for the service (Specification, p. 5, lines 8-10). A further aspect of the present invention includes enabling client nodes to become affiliate servers nodes that deliver content to other client nodes, thus taking advantage of idle bandwidth (Specification, p 5, lines 10-13). As an incentive, the owners of the affiliate servers may be paid a percentage of the fee charged for serving the files to the other client nodes (Specification, p 5, lines 13-14).

In particular, claim 1 recites a method for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,
  - (i) initiating on one client node a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and
  - (ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and
- (b) enabling decentralized downloads of subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46) by
  - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content (Specification, p. 5, lines 2-3, p. 9, lines 16-17; see also Figure 3A, steps 100 and 102)
    - i) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and
  - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 9 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the system comprising:

means for enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) whereby one client node initiates a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and wherein a fee is charged based on a quantity of content served related to the particular

content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates (Specification, p. 5, lines 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of subscription-based content for serving the subscription-based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

The means for enabling peer-to-peer file sharing of content is a client node (such as client node 14 with a client application 22, see Specification, p. 8, lines 1-5; Figure 1A) and at least one server node (such as server node 12) with at least one database (Specification, p. 11, line 21 through p. 12, line 8; see also Figure 1B). The means for enabling decentralized downloads of subscription-based content is the server node.

Claim 17 recites a computer-readable medium containing program instructions for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the program instructions for:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

(i) initiating on one client node a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and

(ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

(b) enabling decentralized downloads of subscription-based content by

(i) allowing client nodes of the multiple client nodes to subscribe to subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46),

(ii) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 25 recites a method for providing subscription-based decentralized file downloads to client nodes (such as client nodes 14, Figure 1A) in a peer-to-peer public network (such as network 10, Figure 1A), each of the client nodes affiliated with a user account, the method comprising the steps of:

(a) receiving content files (such as files 20a and 20b, Figure 1B) from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files (Specification, p. 19, lines 1-12);

(b) allowing the client nodes to subscribe to particular content files (Specification, p. 19, lines 1-4; Figure 3D, step 140);

(c) periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files (Specification, p. 5, lines 5-6, p. 9, lines 17-19, p. 20, lines 1-6, Figure 3D, step 148);

(d) charging the at least one content provider a fee for delivering the content files to the client nodes over the peer-to-peer public network (Specification, p. 20, lines 17-18; Figure 3D, step 152);

(e) charging the at least one content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded (Specification, p. 20, lines 18-20, Figure 3D, step 154); and

(f) charging user accounts of the client nodes that received fee-based subscription content files (Specification, p. 20, lines 20-21; Figure 3D, step 156).

Claim 26 recites a method for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the method comprising the steps of:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

- (i) initiating on one client node a download of a particular content item served from the at least one server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and
- (ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

(b) enabling decentralized downloads of subscription-based content by

- (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46),
- (ii) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and
- (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48);

(c) providing direct marketing (Figure 2, step 50) by

- (i) sending marketing content to the client nodes from the at least one server node as well as from other client nodes (Specification, p. 10, lines 12-15), and
- (ii) charging a fee to providers of the marketing content (Specification, p. 10, lines 18-19; Figure 2, step 52); and

(d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files (Specification, p. 5, lines 10-14; Figure 2, steps 54 and 56).

Claim 27 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the system comprising:

means for enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) whereby one client node initiates a download of a particular content item served from the at least one server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and wherein a fee is charged based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48);

means for providing direct marketing to the client nodes such that marketing content is sent to the client nodes from the at least one server node as well as from other client nodes (Specification, p. 10, lines 12-15), and a fee is charged to providers of the marketing content (Specification, p. 10, lines 18-19); and

means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files (Specification, p. 5, lines 10-14).

The means for enabling peer-to-peer file sharing of content is a client node (such as client node 14 with a client application 22, see Specification, p. 8, lines 1-5; Figure 1A) and at least one server node (such as server node 12) with at least one database (Specification, p. 11, line 21 through p. 12, line 8; see also Figure 1B). The means for enabling decentralized downloads of subscription-based content is the server node. The means for providing direct marketing is also the server node (Specification, p. 10, lines 12-19; Figure 1B). The means for enabling client nodes to become affiliate servers is the client application 22 on the client node 14 (specification, p. 5, lines 10-14, p. 8, lines 1-5).

Claim 28 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), comprising:

a server node (such as server node 12, Figure 1A; see also Figure 1B) adapted to:

allow a download by a client node (such as any of the client nodes 14, Figure 1A) (Specification, p. 4, lines 20-22, p. 9, lines 3-7), wherein a fee is charged based on a quantity of content served during the download (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

enable downloads of subscription-based content by client nodes (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a second fee is charged to providers of the subscription-based content for serving the subscription based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 29 recites a server node (such as server node 12, Figure 1A; see also Figure 1B) comprising:

a network interface; and

a control system adapted to:

share content with a client node (such as any of the client nodes 14, Figure 1A) (Specification, p. 4, lines 20-22, p. 9, lines 3-7) and charge a fee based on a quantity of content shared with the client node (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

provide subscription-based content to which the client node may subscribe (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of the subscription-based content for providing the subscription-based content to the client node (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48); and

provide direct marketing to the client node such that marketing content is provided to the client node and a fee is charged to providers of the marketing content (Specification, p. 10, lines 12-19; Figure 2, step 52); and

wherein the client node may become an affiliate server that delivers content to other client nodes such that an owner of the affiliate server is paid a percentage of a fee charged for content delivery (Specification, p. 5, lines 10-14, Figure 2, steps 54 and 56).

## **(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

**A.** Whether claims 1-6, 9-14, 17-22, 26, and 27 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2002/0062290 A1 to Ricci (hereinafter “Ricci”) in view of U.S. Patent No. 5,819,092 to Ferguson et al. (hereinafter “Ferguson”).

**B.** Whether claims 7, 8, 15, 16, and 23-25 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Ricci in view of Ferguson and further in view of Admitted Prior Art (hereinafter “APA”).

## **(7) ARGUMENT**

### **A. Legal Standards for Establishing Obviousness**

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

*Monarch Knitting Mach. Corp. v. Sulzer Morat GmBH*, 45 USPQ2d 1977, 1981 (Fed. Cir. 1998) (internal citations omitted).

Once the scope of the prior art is ascertained, the content of the prior art must be properly combined. Initially, the Patent Office must show that there is a suggestion to combine the references. *In re Dembicza*k, 175 F.3d 994 (Fed. Cir. 1999). Even if the Patent Office is able to articulate and support a suggestion to combine the references, it is impermissible to pick and choose elements from the prior art while using the application as a template. *In re Fine*, 837

F.3d 1071 (Fed. Cir. 1988). To reconstruct the invention by such selective extraction constitutes impermissible hindsight. *In re Gorman*, 933 F.2d 982 (Fed. Cir. 1991). After the combination has been made, for a *prima facie* case of obviousness, the combination must still teach or fairly suggest all of the claim elements. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974); MPEP § 2143.03.

Whether an element is implicitly or explicitly taught by a reference or combination of references is open to interpretation. While the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

If a claim element is missing after the combination is made, then the combination does not render obvious the claimed invention, and the claims are allowable. As stated by the Federal Circuit, “[if] the PTO fails to meet this burden, then the Appellant is entitled to the patent.” *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

## B. Summary of the References

### 1. U.S. Patent Application Publication No. 2002/0062290 A1 to Ricci

Ricci is directed to a method for distributing and licensing digital media, and in particular, is concerned with using peer-to-peer networks without relinquishing control of the distribution from copyright holders (Ricci, paragraph 0020). In Ricci, digital media is licensed and shared across a network of peers (Ricci, Abstract). Advertisements related to the recipient's interests, demographics, and downloaded media are displayed. By displaying the ads, the recipients are charged for licensing the digital media (Ricci, Abstract). Instead of displaying the ads, traditional royalties can be charged without charging subscription fees (Ricci, paragraph 0032). The royalty paid by the downloading user to the content owner is the typical copyright royalty owned to the copyright owner or licensor, and is not based on the quantity of the content

(Ricci, paragraphs 0022, 0027, and 0031). Ricci may also use a royalty database, which includes the costs of licensing the digital media, the limits of the license (i.e., duration and number of uses), and relates the royalties to a recipients database to track which recipients have licensed which digital media (Ricci, paragraph 0053).

## **2. U.S. Patent No. 5,819,092 to Ferguson**

Ferguson is directed to a visual editing system for creating commercial online computer services (Ferguson, Abstract). The visual editing system features a fee setting tool that allows the developer of the services to develop a fee structure for an online service. The fee structure can handle both fees levied against users and third party content providers (Ferguson, Abstract). A user may be levied fees for logging onto an online service, performing searches, or downloading information (Ferguson, col. 4, lines 55-57). Third party content providers can be levied fees for submitting advertisements or for executing a transaction with a user (Ferguson, col. 4, lines 58-60).

## **3. AAPA**

The Specification of the present application reads in part: “As is well known in the art, in cost per click, the advertiser is charged a fee based on how many times users click on a displayed ad, while in cost per acquisition, the advertiser is based on how many new customers are acquired through the ads.” (Specification, p. 8, lines 8-11).

### **C. Introduction**

The present invention provides a method and system for generating revenue in a peer-to-peer file delivery network. The method and system include enabling peer-to-peer file sharing of content by initiating, on one client node, a download of a particular content item served from the server node or another client node, and then charging a fee based on a quantity of the content served (Specification, p. 4, lines 19-23). The independent claims 1, 9, 17, 25, and 26 all recite “charging a fee based on a quantity of content served. . .” or similar claim language. The “quantity of content” in the claim corresponds to the actual amount of data being served. As an example, the Applicant’s Specification provides that “a sliding-fee scale may be used to charge

users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . .” (Specification, page 16, lines 9-12).

The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. In particular, the references cited by the Patent Office fail to teach or suggest “charging a fee based on a quantity of content served,” as claimed in the present invention. The Patent Office asserts that Ricci teaches this claim limitation. Appellant respectfully disagrees. Ricci discloses a method of licensing and distributing copyrighted digital media where a royalty is paid by the downloading user to the content owner. While Ricci indicates that the user downloading a file will pay the content owner, the fee is based on the appropriate royalty due the copyright owner, and is not based on the quantity of the content. Ricci also discloses a royalty database, which includes the costs of licensing the digital media and the limits of the license (i.e., duration, number of uses). The Patent Office incorrectly attempts to equate Ricci’s disclosure of the number of uses in the license as charging a fee based on the quantity of content served. Ricci provides a technique to collect royalties for use of copyrighted material, but does not charge a fee based on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the content. As such, Ricci monitors use of the copyrighted content and thus does not charge fees based on the quantity of content served.

Since Ricci does not charge fees based on the quantity of content served and the other cited reference Ferguson does not cure the deficiencies of Ricci, the Patent Office has not shown where each and every element of the claimed invention is shown in the prior art with sufficient particularity to sustain an obviousness rejection. As such, the claims are not obvious, and therefore Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

**D. Claims 1-6, 9-14, 17-22, 26, and 27 Are Non-Obvious Because the Combination of Ricci and Ferguson Fails to Teach or Suggest “Charging a Fee Based on a Quantity of Content Served,” as Required by the Claimed Invention**

Claims 1-6, 9-14, 17-22, 26, and 27 stand rejected under 35 U.S.C. § 103 as being unpatentable over Ricci in view of Ferguson et al. (hereinafter “Ferguson”). For the Patent Office to combine prior art references to create an obviousness rejection, the Patent Office must

do two things. First, the Patent Office must state the motivation to combine the references, and second, the Patent Office must support its asserted motivation to combine the prior art references with a clear and particular showing of actual evidence demonstrating that the asserted motivation exists. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). After the combination has been made, for a *prima facie* case of obviousness, the combination must still teach or fairly suggest all of the claim elements. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974); MPEP § 2143.03. Appellant appeals the rejection of claims 1-6, 9-14, 17-22, 26, and 27 because the combination of Ricci and Ferguson fails to teach each and every element of the claimed invention.

Claim 1 recites a method for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
  - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and
  - (ii) charging a fee based on a quantity of content served related to the particular content item; and
- (b) enabling decentralized downloads of subscription-based content by
  - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
  - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
  - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.

Thus, as part of claim 1, enabling peer-to-peer file sharing of content is accomplished in part by charging a fee based on a quantity of content served related to the particular content item. The independent claims 1, 9, 17, and 25-27 (as well as claims 28 and 29) all recite “charging a fee based on a quantity of content served. . .” or similar claim language. The “quantity of content” corresponds to the actual amount of data being served. As an example, the Applicant’s Specification provides that “a sliding-fee scale may be used to charge users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . .” (Specification, page 16, lines 9-12). Although required by claims 1, 9, 17, and

25-29, neither Ricci nor Ferguson, alone or in combination, teach or suggest the claim limitation “charging a fee based on a quantity of content served.”

The Patent Office originally asserts that the element is taught by Ricci in paragraphs 0022 and 0053 (Final Office Action mailed March 8, 2006, p. 6). Appellant respectfully disagrees. Paragraph 0022 states in full: “In accordance with a further object of the invention, the method insures that even an anonymous user downloading a file will pay the owner the appropriate royalty.” While this passage indicates that the downloading user will pay the owner of the file, the fee is based on the appropriate royalty due the copyright owner. The fee is not based on the quantity of the content. Instead, the fee in Ricci is the copyright royalty payment owed to the copyright holder or licensor, and may be a traditional charge, or may be in the form of receiving advertisements (see paragraphs 0027 and 0031). Thus, paragraph 0022 of Ricci does not teach or suggest that the fee is based on the quantity of the content.

Likewise, paragraph 0053 of Ricci states in full: “The server also can include a royalty database. The royalty database includes the costs of licensing the digital media, the limits of the license (i.e., duration, number of uses) and relates the royalties to the recipients database to track which recipients have licensed which digital media.” Again, this passage describes royalties for copyrighted works, but these royalties are not a function of the quantity of the content served. The Patent Office asserts that Ricci states that the royalties (fees) are based on the number of uses and that the number of uses is the same as the quantity of content served (Final Office Action mailed March 8, 2006, p. 4). This assertion is unfounded.

First, paragraph 0053 does not indicate that the fee charged is based on the number of uses. There is no mention of a fee at all in paragraph 0053. Paragraph 0053 merely states that the royalty database includes the costs of licensing the digital media and the limits of the license. The license limits include the duration of the license and the number of uses. Paragraph 0053 merely discloses that a database has as one piece of data the number of uses to which the licensee is entitled; the amount of the fee charged is not linked to the number of uses in the database. Since paragraph 0053 of Ricci is silent as to the amount of the royalty fees, it cannot teach or suggest charging a fee based on the quantity of content served. Simply disclosing the number of uses in a license is not equivalent to “charging a fee based on a quantity of content served,” as required by the claimed invention. For this reason, the Patent Office’s assertion that Ricci’s mention of the number of uses teaches the claim limitation is incorrect.

Second, the claimed invention charges based on the quantity of the content served, not just how many times a file is served. Ricci does not teach or suggest anything about the quantity of the content served. As is clear from paragraphs 0022, 0027, and 0031, Ricci is focused on collecting the appropriate royalties for downloading files associated with copyrighted works. At best, Ricci provides a technique to collect royalties for each use of the copyrighted material, but Ricci fails to disclose a technique to measure the quantity of content served, and thus does not base the fee on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the content. As such, Ricci monitors use and is not concerned with the quantity of content served.

In contrast, Appellant's claimed invention contemplates charging users based on the quantity of the content served, i.e., the number of gigabytes. (Specification, page 16, lines 9-12). Different files will often be different sizes, and Ricci makes no differentiation between files of different size. However, use of two different sized files of similar content type would result in the same fees being charged in Ricci, whereas a user downloading two different sized files in the present invention would be charged two different amounts. Just because a file can be downloaded multiple times, does not indicate that quantity of content, or size, of the file is ever a factor. In short, charging based on the number of downloads is very different than charging based on the quantity of content served. At best, Ricci teaches only charging a royalty based on the number of downloads and fails to teach or suggest charging a fee based on the quantity of the content served.

In the Advisory Action, the Patent Office asserts that, taken in its broadest reasonable interpretation, "quantity" is equivalent to the number of uses. The Patent Office states "charging based on the number of uses is equivalent to charging based on the quantity of content served. In both cases an amount of content is delivered to a user, and in both cases the user is charged based on the amount of content that is delivered to the user." (Advisory Action mailed June 6, 2006, p. 2). Appellant respectfully disagrees.

First, the Patent Office's statement is incorrect on its face. In both Ricci and the present invention, an amount of content is delivered to a user. However, in Ricci, the user is not charged based on the amount of content, but rather on the number of uses of the copyrighted

material (See Ricci, paragraphs 0022, 0027, 0031, and 0053). Ricci is completely silent as to the amount of content served.

Second, Appellant respectfully submits that one of ordinary skill in the art would not consider “quantity of content” to equal “number of uses.” Although the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989). Construing “quantity of content” to be equivalent to “number of uses” is inconsistent with the specification, which indicates that “a sliding-fee scale may be used to charge users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . .” (Specification, page 16, lines 9-12). It is also inconsistent with the interpretation that those skilled in the art would reach, especially after reading the above passage in the Specification. Finally, equating “quantity of content” to “number of uses” is unreasonable because it is inconsistent with the plain meaning of the word “quantity”, which is a measurable amount. Thus, there is no reasonable interpretation that is consistent with the specification in which “quantity of content” would be equivalent to “number of uses.”

To further demonstrate that “quantity of content” is not equivalent to “number of uses,” consider the following example. In the traditional non-subscription royalty based system of Ricci, a user is charged a fee for each download of copyrighted material. This could be more costly if there were a large number of downloads, even if the files were relatively small. In the present invention, a large number of downloads of a relatively small file could be cheaper because of the quantity of content served. For example, if a user wanted to download ten digital files that were one gigabyte each, and the copyright royalty on each was \$25, the user in Ricci’s system would pay \$250 (\$25 per file for 10 libraries). In the present invention, assuming a sliding fee scale of \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10

gigabytes, the user would be charged \$150 for the 10 gigabytes that were downloaded (10 files of 1 gigabyte each and the cost of 10 gigabytes is \$150). Thus, as seen in this example, the users would be charged different amounts for downloading the same content. Therefore, it is easy to see that being charged on the number of uses is not equivalent to being charged on the quantity of the content.

Thus, Ricci fails to teach or suggest the claim element of “charging a fee based on a quantity of content served,” which is required by claims 1, 9, 17, and 26-29. The Patent Office points to nothing in Ferguson which cures the deficiencies of Ricci. Since the references individually do not teach or suggest the claim element, the combination of references cannot teach or suggest the claim element, and the Patent Office has not established obviousness.

Dependent claims 2-8, 10-16, and 18-24 further define the patentable subject matter of their respective independent claims and are therefore patentable for at least the same reasons as claims 1, 9 and 17.

Claims 26, 27, and 29, as well as dependent claims 3, 11, and 19 deserve special mention. These claims recite paying owners of the affiliate servers a percentage of the fee charged for serving the content. The Patent Office admits that Ricci does not teach this element, but asserts that it is taught by Ferguson, col. 9, lines 2-9 (Final Office Action mailed March 8, 2006, p. 7). While the cited passage of Ferguson does indicate that users of the system or content providers may be charged or paid, there is no indication that these users or content providers are affiliate servers as claimed in claims 3, 11, 19, 26, 27, and 29. Paying the users as taught by Ferguson does not equal paying the owners of the affiliate servers as recited in the claims. The Patent Office states that the content providers of Ferguson are affiliate server owners, where users can download content from the content provider node (Final Office Action mailed March 8, 2006, p. 7). However, claims 3, 11, 19, 26, 27, and 29 recite “enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.” Ferguson does not teach or suggest enabling client nodes to become affiliate servers and then paying the owners of the affiliate servers a percentage of the fee. First, the content providers of Ferguson are traditional content providers, they are not client nodes that become affiliate servers. Second, Ferguson does not mention paying a percentage of the fee to the owners of the affiliate servers. Thus, Ferguson does not teach or suggest “enabling client nodes to become affiliate servers that deliver content to other

client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files,” as required by claims 3, 11, 19, 26, 27, and 29. Since Ferguson does not teach or suggest the element for which it is cited, and Ricci admittedly does not teach the element, the combination cannot teach or suggest the element. Therefore, the combination of Ricci and Ferguson does not establish obviousness, and claims 3, 11, 19, 26, 27, and 29 are allowable for this additional reason.

**E. Claims 7, 8, 15, 16, and 23-25 Are Non-Obvious Because the Combination of Ricci, Ferguson, and Allegedly Admitted Prior Art Fail to Teach or Suggest Each and Every Element of Claims 7, 8, 15, 16, and 23-25**

Claims 7, 8, 15, 16, and 23-25 were rejected under 35 U.S.C. § 103 as being unpatentable over Ricci in view of Ferguson and further in view of allegedly admitted prior art. Applicant respectfully traverses. The standards for establishing obviousness are set forth above.

Claims 7-8 depend from claim 1 and contain all of the limitations of claim 1. Claims 15 and 16 depend from claim 9 depend from claim 1 and contain all of the limitations of claim 1. Claims 23 and 24 depend from claim 17 and contain all of the limitations of claim 1. Claim 25 was addressed above. Thus, all of these claims also contain the limitation “charging a fee based on a quantity of content served.”

As discussed above, the combination of Ricci and Ferguson fails to teach or suggest “charging a fee based on a quantity of content served.” The addition of the allegedly admitted prior art fails to cure the deficiencies of the combination of Ricci and Ferguson. Thus, claims 7, 8, 15, 16, and 23-25 are allowable.

**F. Conclusion**

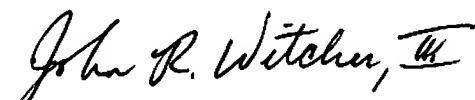
The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. In particular, the references cited by the Patent Office fail to teach or suggest “charging a fee based on a quantity of content served,” as claimed in the present invention. Ricci provides a technique to collect royalties for use of copyrighted material, but does not charge a fee based on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the

content. As such, Ricci monitors use of the copyrighted content and thus does not charge fees based on the quantity of content served.

Since Ricci does not charge fees based on the quantity of content served and the other cited reference Ferguson does not cure the deficiencies of Ricci, the Patent Office has not shown where each and every element of the claimed invention is shown in the prior art with sufficient particularity to sustain an obviousness rejection. As such, the claims are not obvious, and therefore Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

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## **(8) APPENDIX**

1. A method for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the method comprising the steps of:
  - (a) enabling peer-to-peer file sharing of content by,
    - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and
    - (ii) charging a fee based on a quantity of content served related to the particular content item; and
  - (b) enabling decentralized downloads of subscription-based content by
    - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
    - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
    - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.
2. The method of claim 1 further including the step of:
  - (c) providing direct marketing by
    - (i) sending marketing content to the client nodes from the server node as well as from other client nodes, and
    - (ii) charging a fee to providers of the marketing content.
3. The method of claim 1 further including the step of:
  - (d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.
4. The method of claim 1 wherein the content includes free content and fee-based content, step (a)(ii) further including the steps of:
  - (1) charging a fee to a provider of the free content for serving the free content, and

(2) charging a fee to a user of the initiating client node for the download of the fee-based content.

5. The method of claim 4 wherein the subscription-based content includes free content and fee-based content, step (b)(iii) further including the step of:

(1) charging a fee to users of the subscribing client nodes for receiving the fee-based content.

6. The method of claim 4 wherein the subscription-based content includes free content and fee-based content, step (b)(iii) further including the step of charging a fee to users of the subscribing client nodes for opening the fee-based content.

7. The method of claim 2 wherein step (c)(ii) further includes the step of: charging a fee to the provider of the marketing content based on a cost per click.

8. The method of claim 7 wherein step (c)(ii) further includes the step of: charging a fee to the provider of the marketing content based on a cost per acquisition.

9. A system for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the system comprising:

means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the server node or another client node, and wherein a fee is charged based on a quantity of content served related to the particular content item; and

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of subscription-based content for serving the subscription-based content to the client nodes.

10. The system of claim 9 further including means for providing direct marketing to client

nodes such that marketing content is sent to the client nodes from the server node as well as from other client nodes, and a fee is charged to providers of the marketing content.

11. The system of claim 9 further including means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files.

12. The system of claim 9 wherein the content includes free content and fee-based content, and a provider of the free content is charged a fee for serving the free content, and a user of the initiating client node is charged a fee for download of the fee-based content.

13. The system of claim 12 wherein the subscription-based content includes second free content and second fee-based content, and wherein users of subscribing client nodes are charged a fee for receiving the second fee-based content.

14. The system of claim 12 wherein the subscription-based content includes second free content and second fee-based content, and wherein users of the subscribing client nodes are charged a fee for opening the second fee-based content.

15. The system of claim 10 further comprising means for charging a fee from a provider of the marketing content based on a cost per click.

16. The system of claim 15 further comprising means for charging a fee from the provider of the marketing content based on a cost per acquisition.

17. A computer-readable medium containing program instructions for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the program instructions for:

- (a) enabling peer-to-peer file sharing of content by,
  - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and

(ii) charging a fee based on a quantity of content served related to the particular content item; and

(b) enabling decentralized downloads of subscription-based content by

(i) allowing client nodes of the multiple client nodes to subscribe to subscription-based content,

(ii) periodically sending the subscription-based content to each respective subscribing client node, and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.

18. The computer-readable medium of claim 17 further including the instruction of:

(c) providing direct marketing by

(i) sending marketing content to the client nodes from the server node as well as from other client nodes, and

(ii) charging a fee to providers of the marketing content.

19. The computer-readable medium of claim 17 further including the instruction of:

(d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.

20. The computer-readable medium of claim 17 wherein the content includes free content and fee-based content, instruction (a)(ii) further including the instructions of:

(1) charging a fee to a provider of the free content for serving the free content, and

(2) charging a fee to a user of an initiating client node for download of the fee-based content.

21. The computer-readable medium of claim 20 wherein the subscription-based content includes second free content and second fee-based content, instruction (b)(iii) further including the instruction of:

(1) charging a fee to users of the respective subscribing client node for receiving the second fee-based content.

22. The computer-readable medium of claim 20 wherein the subscription-based content includes second free content and second fee-based content, instruction (b)(iii) further including the instruction of charging a fee to users of the respective subscribing client nodes for opening the second fee-based content.

23. The computer-readable medium of claim 18 wherein instruction (c)(ii) further includes the instruction of:

charging a fee to the providers of the marketing content based on a cost per click.

24. The computer-readable medium of claim 23 wherein instruction (c)(ii) further includes the instruction of:

charging a fee to the providers of the marketing content based on a cost per acquisition.

25. A method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

(a) receiving content files from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files;

(b) allowing the client nodes to subscribe to particular content files;

(c) periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files;

(d) charging the at least one content provider a fee for delivering the content files to the client nodes over the peer-to-peer public network;

(e) charging the at least one content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded; and

(f) charging user accounts of the client nodes that received fee-based subscription content files.

26. A method for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
  - (i) initiating on one client node a download of a particular content item served from the at least one server node or another client node, and
  - (ii) charging a fee based on a quantity of content served related to the particular content item;
- (b) enabling decentralized downloads of subscription-based content by
  - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
  - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
  - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content;
- (c) providing direct marketing by
  - (i) sending marketing content to the client nodes from the at least one server node as well as from other client nodes, and
  - (ii) charging a fee to providers of the marketing content; and
- (d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.

27. A system for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the system comprising:

means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the at least one server node or another client node, and wherein a fee is charged based on a quantity of content served related to the particular content item;

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes;

means for providing direct marketing to the client nodes such that marketing content is sent to the client nodes from the at least one server node as well as from other client nodes, and a fee is charged to providers of the marketing content; and

means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files.

28. A system for generating revenue in a peer-to-peer file delivery network, comprising:  
a server node adapted to:

allow a download by a client node, wherein a fee is charged based on a quantity of content served during the download; and

enable downloads of subscription-based content by client nodes, wherein a second fee is charged to providers of the subscription-based content for serving the subscription based content to the client nodes.

29. A server node comprising:  
a network interface; and  
a control system adapted to:

share content with a client node and charge a fee based on a quantity of content shared with the client node;

provide subscription-based content to which the client node may subscribe, wherein a fee is charged to providers of the subscription-based content for providing the subscription-based content to the client node; and

provide direct marketing to the client node such that marketing content is provided to the client node and a fee is charged to providers of the marketing content; and wherein the client node may become an affiliate server that delivers content to other client nodes such that an owner of the affiliate server is paid a percentage of a fee charged for content delivery.

## **(9) EVIDENCE APPENDIX**

Appellant relies on no evidence, thus this appendix is not applicable.

**(10) RELATED PROCEEDINGS APPENDIX**

As there are no related proceedings, this appendix is not applicable.